

INFORMATION TECHNOLOGY GROUP

FY04 RATES

Updated 11-7-03

The Department of Administration, Information Technology Group (ITG) provides assistance to state agencies requiring computer and telecommunication related services. All agencies must budget for and clearly identify the expected cost of ITG provided services on their Line Item Detail and Interagency Services budget forms as required by AS 44.21.045(e).

This document includes hourly rates for the division's consulting services and rates for equipment and services offered by the Computer Services and the Telecommunication Services sections of ITG. In addition, the overview contains general information about rates, billing, and prorated charges for different services.

Overview

Rates are based on projected ITG costs and expected resource use. The rates are designed to generate sufficient revenue for ITG to meet actual costs of operating, maintaining, and supporting the computer and telecommunication facilities. The majority of services are billed primarily on a monthly basis. Some services are billed upon request for the service, and some are billed upon completion of the service.

Rates for computer services are structured to encourage non prime-time processing. Prime-time rates apply to processing from 8 a.m. – 5 p.m.

ITG entered into a Telecommunications Partnering Agreement with ACS on December 10, 2001. Under this agreement, ACS will provide a broad range of essential telecommunications services to state agencies including telephone, long distance, cellular, Internet, video conferencing and satellite services. On September 13, 2002 OMB approved ITG's new FY03 Enterprise Productivity Rate (EPR) and transitional rates. The EPR covers services that provide for the basic infrastructure in the converged environment, and do not work well with traditional billing methods. Currently, OMB and ITG expect the FY04 EPR rate to be close to the FY03 rate of \$65.89 per month, per PCN. The EPR will be applied to the FY03 Governor Amended permanent full time positions by department. ACS will bill the EPR on a quarterly basis. Services included in this rate are: network, internet, video conferencing, SAT's and ITG's residual costs.

The FY2004 rates will be based on the same assumptions and methodology as FY 2003. No additional data will be available between now and the end of September on which we could reasonably base modifications of these rates for next year's budgeting purposes. Once there is a track record of actual costs under the new contract and the state is able to implement some of the TPA cost savings, it will be possible to make adjustments based on actual data. It is most likely that this would happen for the FY2005 budget cycle, but some adjustments could possibly be made to the FY2004 rates at budget amendment time.

ITG offers consulting and/or technical assistance for a variety of computing and communication services such as: Special Overtime Operator (4 hour minimum), bursting, de-collating and special handling, communication design and consulting, application programming consulting, systems programming consulting, and facilities

management. These services are priced at the level needed to recover expenses and are dependent upon the level of personnel expertise needed to perform the tasks.

FY04 CS - EPR

Introduction

For most ITG computing services the rate methodology is based upon mainframe usage accounting (MICS). Previously, most open systems type service costs did not have a specific rate methodology for charge-back to agencies. These types of costs were transferred to the mainframe service costs centers; thereby, increasing the usage mainframe rates. The new computer service's enterprise productivity rate (CS – EPR) distributes these costs to state agencies based upon budgeted permanent full time positions. This methodology considers all state agencies benefactors, whether directly or indirectly, of such services. Further, this methodology supports ITG's management policy to move from specialized services to an enterprise solutions approach, taking advantage of centralization to meet a variety of statewide requirements. To qualify for inclusion in the CS – EPR, open systems services must meet one or more of the following criteria:

- The service is widely used by agencies, direct usage-based rates would be prohibitively expensive to institute, and it is commonly part of the basic IT infrastructure for State Government.
- The service is more efficiently delivered on a centralized basis by capturing economies of scale and eliminating cost-incurring technology incompatibilities.
- Charging for the service on a per-PCN basis will encourage agencies to use the centralized service and discourage duplicating IT capabilities that could increase costs for state government overall.
- Provides a new strategic statewide service or software infrastructure, which will enable multiple agencies to deliver improved services to the public or capture internal efficiencies they might otherwise be unable to accomplish independently.

Beginning in FY04 (July 1, 2003) the following services have been determined to meet the above criteria, and are therefore included in the new CS - EPR.

S/W Development

This service center supports internal software required for integrating platforms within ITG. Also included are systems related to the telecommunications partnering agreement. Specifically, programming services for the emerging Voice over IP architecture, AVVID, XML development for the new phone systems, the new IVR systems development and the IPCC (Internet Protocol Call Center). Additionally, this service center includes development and support of enterprise solutions for Credit Card Transactions, Electronic Funds Transfer, MyAlaska maintenance and support, WebServices related to LDAP and Tamino support.

DB2 Mid-Range

This is a shared, non-mainframe (UNIX) server and software platform, primarily used by the OMB ABS budgeting system. Other users include a very small usage by APOC and Mobius Document Direct. Part of the cost of operating this platform is billed to OMB, however, most of the cost has been absorbed by ITG.

Additional costs have been added to this cost center for FY04. Primarily, to provide for the cost of moving the platform for ABS and the other applications to a new server environment, as the existing one is not supported by IBM and so is no longer cost effective.

Work Place Alaska/Domino Notes

The DOA Division of Personnel contributes to part of the cost to provision for Workplace Alaska. Most state agencies utilized Workplace Alaska to perform personnel recruitment and hiring. Lotus Notes supports Workplace Alaska. Additionally there are two other applications run on this server: Online Public Notices and the ITG Task Order Application.

MyAlaska

This project's goal is to create an infrastructure for web commerce applications enabling electronic signature and identity "management" for residents of Alaska and current or former Alaska public employees. This project will ultimately result in a 'one stop shopping' portal for presenting the State's web presence to the general public. The short-term goal is to enable secure online business processes that require signature certification and verification of identity.

Immediate usage is planned for Permanent Fund Dividend and Retirement & Benefits applications. Future applications being considered include automation of the State's internal administrative procedures, such as travel authorizations and timesheet preparation.

Enterprise Applications

Services include: help desk costs, security, planning studies, project collaboration server, management and operation of enterprise internet services infrastructure. The later includes the state's class B IP address ranges, DNS, FTP, the primary state web presence, web use statistics, searching and content management, a state web portal, and network security.

COMPUTER SERVICES RATES FOR FY04

Service	Prime-Time Rate/Second (8 am - 5:00 pm)	Non Prime-Time Rate/Second (5:01 pm - 7:59 am)
<u>Central Server</u>		
Batch	0.0717	0.0479
ADABAS	0.0742	0.0495
CICS	0.0616	0.0411
TSO	0.1113	0.0741
ROSCOE	0.9111	0.6077
DB2	0.1275	0.0850

Data Storage

Disk Storage - MVS – megabytes day	\$0.0026
Tape Storage - per tape a month	\$1.8032

<u>Printing</u> - per foot	\$0.0729
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Facilities Management

Computer room floor space - per square foot	\$9.26
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Open Systems Environment Services

Tivoli Storage Manager	\$5/gigabyte
Task Orders:	
Range 1-\$5,000	5.00% no cap
Range \$5,001 - \$90,000	3.00% no cap
Range \$90,001 - \$500,000	1.00% no cap
Mid-Tier Rack:	
Typical Windows Server	7,293.00
Typical Terminal Server	6,549.00
Typical Linux Server	7,617.00
Open Connect - First year	\$200.00
Subsequent years	\$100.00

Consulting Service hourly fee only:

Oracle
SQL Server
Project Management
Tamino Server

CS - Enterprise Productivity Rate (EPR)

The new EPR rate assesses a quarterly per unit charge to support computer services infrastructure including: Software development, Open Connect, DB2 mid-range (ABS), My Alaska and Enterprise Applications. The unit of measurement for billing purposes is equivalent to the number of permanent full time positions as of FY 2003. The following summary indicates the charge anticipated at the departmental level for FY 2004. Each department will be responsible for allocating the EPR charge internally.

CS - Enterprise Productivity Rate: FY 2004				
	PFT	Annual	Qrtly	Mthly
Governor	186	11,183	2,796	932
DOA	1,276	76,718	19,179	6,393
Law	478	28,739	7,185	2,395
DOR	504	30,302	7,576	2,525
APFC	35	2,104	526	175
DOE	420	25,252	6,313	2,104
H&SS	2,453	147,483	36,871	12,290
DOL	853	51,285	12,821	4,274
DCED	506	30,423	7,606	2,535
DMVA	259	15,572	3,893	1,298
DNR	625	37,577	9,394	3,131
DF&G	894	53,750	13,438	4,479
DPS	766	46,055	11,514	3,838
DEC	506	30,423	7,606	2,535
DOC	1,481	89,043	22,261	7,420
DOT	2,985	179,469	44,867	14,956
Leg. Audit	239	14,370	3,592	1,197
Courts	687	41,305	10,326	3,442
Total	<u>15,153</u>	<u>911,053</u>	<u>227,764</u>	<u>75,919</u>
Total to be allocated	\$	911,062		
Monthly EPR amount		<u>5.0103</u>		

TELECOMMUNICATION RATES FOR FY04

TC – Enterprise Productivity Rate

As a result of re-mediation efforts between the State of Alaska and ACS regarding the TPA, the telecommunications Enterprise Productivity Rate determination for FY 2004 was delayed. In cooperation with OMB, ITG has calculated the rate of \$65.78 per PCN, per month, for the first quarter of FY 2004. This initial rate compares favorable with the FY 03 rate of \$65.89 per PCN, per month and follows the same basic assumptions and methodology, in keeping with Annalee's letter dated 9/13/03 (attached).

This rate is subject to change, as more information becomes available. ITG will continue to work with OMB to communicate on the TC EPR.

Paging

Affective 11/01/2003 Paging services have transition from ACS to ITG. The following rates have been established by ITG:

\$10.26 per month per pager, payable annually, includes repairs.

\$150 for new pager, includes shipping.

\$60 activation fee for new pager.

\$25 service fee, per TSR, for new service or changes to existing service.

There is no fee for deactivation of pager service, ITG will adjust bills accordingly.

ITG will only bill for pager that are verified as "in service."

HOURLY RATES FOR TIME & MATERIALS / CONSULTING SERVICES FY04 Hourly
Rates for Time & Materials / Consulting Services

Admin Clerk I	37
Admin Clerk II	33
Admin Clerk III	25
Admin Manager	57
Accounting Tech I	40
Accounting Tech II	47
Accounting Tech III	57
Accounting Clerk II	36
Accounting Supervisor	66
Accountant IV	61
Accountant V	72
Analyst Programmer III	60
Analyst Programmer IV	71
Analyst Programmer V	80
Chief Telecommunications	82
Comm Engineer Assoc. I	70
Comm Engineer Assoc II	89
Comm Engineer I	84
Comm Engineer II	97
Contracting Officer III	68
Database Specialist I	84
Database Specialist III	72
Data Comm Spec I	75
Data Comm Spec II	84
Data Processing Manager I	89
Data Processing Manager II	72
Data Processing Manager III	95
Data Proc Prod Mgr	75
Data Processing Tech I	40
Data Processing Tech II	63
Data Processing Tech III	57
Data Security Specialist	83
Deputy Director ITG	92
Directory ITG	101
Electronic Maintenance Supervisor	78
Information Officer III	73
LMR Project Manager	84
Maintenance Specialist Electronics	66
Maintenance Specialist Elect. Lead	75
Micro/Network II	80
Procurement Specialist II	55
Secretary	40
Supply Technician II	40
Systems Programmer III	94
Systems Programmer IV	105
Systems Programmer V	110
Telecomm Planner I	86
Telecomm Planner II	79

Rates are based on work performed on a routine/normal basis. Requests for expedited services incur additional charges:

Rush/Overtime/Priority @ 1.5x;

Holiday/Sunday/Critical/Emergency/Call-out @ 2x

Rates for travel related expenses (transportation, lodging, per diem, meals and incidental expenses) are established by current union contracts.

Services are priced at the level needed to recover expenses and are dependent on the level of expertise needed to perform the tasks.